

CFPB Announces Return of \$1.8 Billion in Illegal Junk Fees to 4.3 Million Americans Harmed in Massive Credit Repair Scheme

Payments to victims of Lexington Law and CreditRepair.com are the largest-ever distribution from the CFPB's victims relief fund

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WASHINGTON, D.C. – The Consumer Financial Protection Bureau (CFPB) is distributing \$1.8 billion to 4.3 million consumers charged illegal advance fees or subjected to allegedly deceptive bait-and-switch advertising by a group of credit repair companies including Lexington Law and CreditRepair.com. Together, the payments constitute the largest-ever distribution from the CFPB's [victims relief fund](https://cfpb.gov/enforcement/payments-harmed-consumers/civil-penalty-fund/) (cfpb.gov/enforcement/payments-harmed-consumers/civil-penalty-fund/), which is funded by civil penalties paid by companies that violate consumer protection laws.

“Lexington Law and CreditRepair.com exploited vulnerable consumers who were trying to rebuild their credit, charging them illegal junk fees for results they hadn’t delivered,” said CFPB Director Rohit Chopra. “This historic distribution of \$1.8 billion demonstrates the CFPB’s commitment to making consumers whole, even when the companies that harm them shut down or declare bankruptcy.”

In August 2023, the CFPB secured a [legal judgment](https://cfpb.gov/about-us/newsroom/cfpb-reaches-multibillion-dollar-settlement-with-credit-repair-conglomerate/) (cfpb.gov/about-us/newsroom/cfpb-reaches-multibillion-dollar-settlement-with-credit-repair-conglomerate/) against the credit repair conglomerate, after a district court ruled that the companies had violated the Telemarketing Sales Rule’s advance fee prohibition. Under federal law, credit repair companies that engage in telemarketing cannot collect fees until they provide documentation showing they have achieved the promised results for consumers, at least six months after the results were achieved.

Following the district court’s ruling, the companies filed for Chapter 11 bankruptcy protection, shuttering approximately 80 percent of their business operations, including their telemarketing call centers. The CFPB’s \$1.8 billion distribution to consumers harmed by the credit repair companies is a result of the agency’s enforcement action.

About the CFPB's Victims Relief Fund

Congress created the CFPB's victims relief fund in the Dodd-Frank Wall Street Reform and Consumer Protection Act. The victims relief fund is financed entirely through civil penalty payments made by companies and individuals that violate consumer financial protection laws. When the CFPB takes enforcement action against companies that break the law, any civil penalties they pay go into this dedicated fund, which is then used to provide relief to consumers harmed by unlawful practices. These distributions do not use any taxpayer dollars.

Since opening its doors in 2011, the CFPB has distributed more than \$3.3 billion through the victims relief fund. The distributed funds have gone to consumers harmed in cases involving a wide range of illegal practices, like student loan and mortgage relief scams, predatory lending, and illegal debt collection. The fund enables the CFPB to provide financial relief in cases where direct compensation from the violating company is not possible.

Distribution Details

Eligible consumers harmed by Lexington Law, CreditRepair.com, and their parent companies will be sent a payment in the coming weeks. Details about the distribution are available at cfpb.gov/payments/lexlaw (cfpb.gov/enforcement/payments-harmed-consumers/payments-by-case/lexlaw/). The CFPB has contracted JND Legal Administration to administer payments for this case and answer consumers' questions.

Eligible consumers do not need to take any action to receive a payment. Checks are being mailed between December and January. Consumers who believe they are eligible but who have not received a payment by mid-January can contact JND at www.cfpb-lexlaw.org.

Consumers can submit complaints about financial products or services by visiting the CFPB's website or by calling [\(855\) 411-CFPB \(2372\)](tel:855411CFPB2372).

The Consumer Financial Protection Bureau is a 21st century agency that implements and enforces Federal consumer financial law and ensures that markets for consumer financial products are fair, transparent, and competitive. For more information, visit www.consumerfinance.gov.

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